
WESTERN AREA POWER ADMINISTRATION
PUBLIC INFORMATION FORUM
TRANSCRIPT OF PROCEEDINGS
February 2, 2011

1 (The following proceedings were held in
2 the Big Thompson Conference Room at the Embassy Suites,
3 4705 Clydesdale Parkway, Loveland, Colorado, at 1:04 p.m.
4 on February 2, 2011, before Claudia R. Booton, a Notary
5 Public and Registered Professional Reporter in and for
6 the State of Colorado.)

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8 MR. KRAL: Good afternoon. And welcome to
9 our public information forum. My name is John Kral. I'm
10 an attorney with the Western Area Power Administration,
11 and I'll preside as today's moderator. I would note for
12 the record it's about 1:05, and we have several members
13 from Western with us today but no other individuals from
14 other parties. So what we're going to do is take a brief
15 recess and see if anybody else shows up, and we'll
16 reconvene in about a half an hour. Thank you.

17 (There was a recess taken from 1:05 p.m.
18 to 1:34 p.m.)

19 MR. KRAL: Okay. We're back on the
20 record. It's 1:35, and we've reconvened. Note for the
21 record that there are no representatives from parties
22 other than Western here today. But we're going to go
23 ahead with today's public information forum.

24 As set forth in the December 17, 2010,
25 Federal Register Notice, Volume 75, Number 242, pages

1 78988 through 78992, this public information forum has
2 been scheduled to provide interested parties the
3 opportunity to learn and ask questions about the
4 application process, call for applications, and applicant
5 profile data related to Western's Post-2014 Resource Pool
6 for the Loveland Area Projects otherwise known as LAP.

7 These allocation procedures and a call for
8 applications in conjunction with the Loveland Area
9 Products final Post-1989 marketing plan established the
10 framework for allocating power from the LAP resource
11 pool. This resource pool is comprised of up to 1 percent
12 of the long-term marketable resource of the Loveland Area
13 Projects.

14 Western must receive written applications
15 from entities interested in getting an allocation of
16 electric power by 4:00 p.m. Mountain Standard Time on
17 March 4, 2011. Western reserves the right not to
18 consider an application that is received after 4:00 p.m.
19 on March 4.

20 Applications for an allocation of power
21 should be submitted to the attention of Mr. Bradley
22 Warren, regional manager of Rocky Mountain Customer
23 Service region, by certified mail, commercial mail,
24 e-mail, or fax. The previously referenced FRN contains
25 the relevant information on how to submit applications.

1 This is the sole information forum to be held on the
2 allocation procedures, call for applications, and
3 applicant profile data.

4 This afternoon western personnel will make
5 a presentation on the LAP resource pool and be available
6 to answer questions that anyone might have. Linda
7 Swails, public utilities specialist at the Rocky Mountain
8 Region, has a PowerPoint presentation that contains some
9 general information about western and specific
10 information about the Post-2014 Resource Pool.

11 We have a court reporter with us today,
12 Claudia, who is taking a verbatim transcript of today's
13 meeting. Everything said while we're in session together
14 with all exhibits, will be part of the official record.
15 Copies of today's transcript will be available to anyone
16 who wants a copy upon payment of the required fee to the
17 court reporter.

18 The court reporter's name, address, and
19 telephone number may be obtained at any time during or
20 after today's forum. Copies of the transcript and the
21 complete record of this public process will also be
22 available for review at the Rocky Mountain Regional
23 Office at Loveland, Colorado.

24 Noting that there are no questions, I'm
25 going to turn over the program to Linda Swails.

1 MS. SWAILS: Thank you, John.

2 As John indicated, the purpose of our
3 meeting today is to share with you information regarding
4 the Loveland Area Projects Post-2014 Resource
5 Reallocation Pool. The topics I'll be discussing with
6 you today include three: some background on Western Area
7 Power Administration, some specific information on the
8 Post-1989 Marketing Plan, information on the Energy
9 Planning and Management Program, also referred to as
10 EPAMP, The Post-2014 Resource Pool, some specific
11 information about that, and finally conclude with
12 questions.

13 Western Area Power Administration is one
14 of four power marketing administrations in the United
15 States. Three others include Bonneville Power Authority,
16 which is in the specific northwest. You see Western Area
17 Power Administration in the midwest and part of the
18 United States Southwestern Power Administration in the
19 south, and Southeastern Power Administration in the south
20 and eastern part of the United States, Power Marketing
21 Administrations market and transmit power generated in
22 federal facilities, and they operate under the authority
23 of the department manager.

24 Western Area Power Administration service
25 territory is within a 15-state region, and it is from

1 California on the west to Minnesota and Iowa and parts of
2 Kansas on the east. The southernmost boundary is the tip
3 of Texas, and the northernmost is Montana and North
4 Dakota and part of Minnesota. There's four regional
5 offices within Western: Folsom, California, for the
6 Sierra Nevada Region; Phoenix, Arizona, for the Desert
7 Southwest Region; Billings, Montana, for the Upper Great
8 Plains Region; Loveland, Colorado, for the Rocky Mountain
9 Region. There's a management center located in Salt Lake
10 City, and our corporate office is located in Lakewood.

11 The slide shows an enhanced picture of the
12 Rocky Mountain Region. As John indicated earlier, we're
13 talking today about the Loveland Area Projects and the
14 Post-2014 Resource Pool. The marketing area for the LAP
15 projects includes the eastern portion of the state of
16 Wyoming, east of the Continental Divide. It includes the
17 eastern portion of the state of Colorado and the Mountain
18 Parks Electric Service territory west of the Continental
19 Divide. It includes the western portion of Nebraska,
20 west of the 101st Meridian, and includes portions of
21 Kansas that are included in the Missouri river basin and
22 the western portions of the counties in Kansas, east of
23 the 100th Meridian.

24 MS. REED: West.

25 MS. SWAILS: West of 100th Meridian.

1 Thank you.

2 The Post-1989 Marketing Plan has
3 relationship to the Post-2014 Resource Pool, and then it
4 did three things. One of them was it did reserve power
5 for existing customers and it provided power for new
6 customers. But in addition, the Post-1989 Marketing Plan
7 was a new marketing plan that consolidated the Pick-Sloan
8 Western Division and the Fryingpan-Arkansas Projects into
9 what is now called the Loveland Area Projects. And then
10 it also expanded the marketing area for the Rocky
11 Mountain Region.

12 Energy Planning and Management Program had
13 two significant components. One, it is incorporated
14 integrated resource planning into our firm electric
15 service contracts with our customers, and it included a
16 power marketing initiative.

17 That power marketing initiative did
18 several things. One of them was, it extended the
19 contracts for existing customers for 20 years, through
20 September 30 of 2024. It also provided for western to
21 withdraw power to create resource pools for new
22 customers. The Post-2014 Resource Pool is the third of
23 those three resource pools. The first one was in 2004
24 for approximately 4 percent; in 2009, for approximately 1
25 percent, and then the one we're speaking of today is the

1 Post-2014 Resource Pool which is, again, about 1 percent.

2 I want to talk about some specifics of the
3 Post-2014 Resource Pool. As I mentioned, it will be
4 created by withdrawing 1 percent of the energy and
5 associated capacity which is currently under contract
6 with our existing customers.

7 John indicated earlier that the
8 announcement of the resource pool and call for
9 applications was published in the federal register on
10 December 17 of 2010. And that opens the application
11 process for this resource pool. Information and the
12 application form is available on our website, and the
13 website is indicated on the screen as you see in front of
14 you.

15 The Loveland Area Projects currently is
16 under contract for the summer and winter season. You can
17 see on the left the capacity for the summer season is
18 690,795 kilowatts. For the winter season, the capacity
19 of 605,315 kilowatts. The associated energy for both the
20 summer and winter season are listed below. That is the
21 pool from which we will withdraw 1 percent to create the
22 2014 -- the Post-2014 Resource Pool.

23 The resource pool will have a capacity of
24 6,908 kilowatts or about 6.9 megawatts. For the summer
25 season and for the winter season, the capacity will be

1 6,053 kilowatts or just under 6.1 megawatts. The
2 associated energy is listed below for the summer and
3 winter season.

4 The eligibility requirements for
5 interested parties making application for this resource
6 is applicants would need to satisfy the definition of
7 preference customer. The preference customer could be a
8 utility, they can be a nonutility, or they could be a
9 Native American tribe. If the applicant is a utility, it
10 would be either a municipality, municipal utility,
11 cooperative, or power or irrigation district.

12 For a nonutility, an example might be a
13 government entity such as a national park or a mass
14 transit system. And then a Native American tribe -- for
15 the Native American tribes, their tribal loads must be
16 located on or near the tribal lands.

17 And finally the entity making the
18 application must be located in the LAP marketing area and
19 not currently receiving an allocation for the benefit of
20 federal hydropower or being a member of a parent entity
21 who is currently receiving an allocation of the
22 hydropower.

23 Other eligibility requirements include the
24 applicant would be required to either use the power or to
25 directly resell it to retail customers. For utility

1 applicants, they must have a utility status, which means
2 they must be capable of delivering an allocation by
3 October 1 of 2011, this year. For Native American
4 tribes, they need to satisfy the definition of "Indian
5 tribe" as defined by the Indian Self-Determination Act of
6 1975. Native American tribes are not required to operate
7 distribution system.

8 I'd like to switch to the allocation
9 process and discuss the steps involved in the allocation
10 process. First step is for an applicant to complete the
11 applicant profile data and submit it to the Rocky
12 Mountain Region customer service office at the address
13 that John previously described no later than Friday,
14 March 4, 2011, by 4:00 p.m. Mountain Standard Time.

15 The process that Western will follow in
16 reviewing applications, Western will review the
17 applications that are received by the deadline I
18 previously mentioned. They will prepare the proposed
19 allocations, publish the final allocations in the Federal
20 Register, prepare the electric service contracts for
21 successful applicants and Western to execute and deliver
22 the power to the customer by October 1, 2014.

23 MS. REED: I need to clarify something
24 here. What we'll do is we'll prepare the proposed
25 allocations and we will publish the proposed allocations.

1 There was some small bullets there. We will publish the
2 processed allocations. We'll also hold a public comment
3 forum on the proposed allocations. Then we'll make a
4 determination on whether the proposed allocations will
5 change or not and then publish the final allocation,
6 so . . .

7 MS. SWAILS: Okay. Thank you.

8 The applicant profile data form was
9 included on our website and is available to download from
10 that website. Western will determine the allocations
11 based upon several criteria. Of course, one will be
12 reviewing the applicant profile data that the applicant
13 submits. They will consider the energy and capacity
14 amounts included on the application, with consideration
15 for the maximum energy allocation.

16 And you can see the maximum for winter and
17 summer as well as the minimum and maximum capacity
18 allocation that is available to a single applicant. The
19 minimum allocation is 100 kilowatts and the maximum is
20 5,000 kilowatts or about 5 megawatts. Those are the
21 maximum capacity allocations for an individual entity.
22 Western will determine the allocations by applying a
23 "fair share" concept which, in essence, is considering
24 what is fair and appropriate under the circumstances of
25 the Post-2014 allocation process.

1 The primary considerations when reviewing
2 the applicant profile data is the ability to deliver the
3 power allocation, the requested amount of annual kilowatt
4 hours, the load data, including the monthly capacity and
5 energy data for 2009 and 2010 winter season and the 2010
6 summer season, also including the average annual load
7 factor for 2010 and the average monthly load factor for
8 the 2009/2010 winter season and 2010 summer season.
9 For Native American tribes, the actual data isn't
10 available. The estimated data would be accepted.

11 Further considerations will be the
12 applicant's current power supply information; do they
13 have existing generation or do they have purchase power
14 contracts? And if those purchase power contracts exist,
15 will they allow for the delivery of -- will they allow
16 the applicant to acquire federal hydropower?

17 The other consideration is point of
18 delivery; will that be on western's transmission system
19 or through a third party? If it's through a third party,
20 has the applicant made arrangements or do they have
21 existing arrangements for transmission service or what
22 arrangements would be needed to provide for delivery for
23 a federal application, and other pertinent information
24 that the applicant might include on the applicant profile
25 data form.

1 John mentioned earlier and I've indicated
2 that the applicant profile data is due to Western by
3 March 4, 2011, at 4:00 p.m. It can be submitted either
4 by certified mail or commercial mail to the Rocky
5 Mountain customer service region, Western Area Power
6 Administration to the attention of Mr. Bradley S. Warren,
7 at the address of 5555 East Crossroads Boulevard,
8 Loveland, Colorado 80538-8986. It can also be faxed to
9 the fax number of 970.461.7204, or alternatively it can
10 be e-mailed to the e-mail address of
11 POST2014LAP@WAPA.GOV.

12 If submitting the application by e-mail,
13 the applicant must send with it an electric signature.
14 If an electronic signature is not available, then the
15 applicant would be requested to fax or mail the signature
16 page to the address above in conclusion, the steps that
17 Western will follow through the allocation process is
18 what I had mentioned previously: review the
19 applications, follow the process that Melanie Reed has
20 described earlier, publish the final allocations in the
21 Federal Register, and execute firm electric service
22 contracts with the customers, new customers, and then
23 deliver the power beginning October 1, 2014.

24 And this is -- information concerning
25 questions or requests for information could be submitted

1 either to Melanie Reed at telephone number 970.461.7229
2 or e-mail to MREED@WAPA.GOV or Linda Swails at
3 970.461.7339 or e-mail to SWAILS@WAPA.GOV, or visit our
4 website at the Post-2414 Resource Pool website which is
5 indicated on your screen.

6 MR. KRAL: Thank you, Linda. This would
7 be the time to ask questions of Western staff members who
8 are here today. But noting once again there are no
9 representatives for parties other than Western with us,
10 we will go ahead and advance to closing comments.

11 I'd like to thank the Western
12 representatives for coming today. Also thank Claudia for
13 providing court reporting services. As a reminder, all
14 applications must be submitted by 4:00 p.m. Mountain
15 Standard Time on March 4, 2011. Unless there are any
16 other administrative matters to attend to, this
17 information forum is now closed.

18 (The proceedings were concluded at
19 1:57 p.m. on February 2, 2011.)
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C E R T I F I C A T E

STATE OF COLORADO)
) ss.
 CITY AND COUNTY OF DENVER)

I, Claudia R. Booton, Registered Professional Reporter and Notary Public in and for the State of Colorado, do hereby certify that said proceedings were stenographically reported by me at the time and place heretofore set forth, and was reduced to typewritten form under my supervision, as per the foregoing;

That the foregoing is a true and correct transcript of my shorthand notes then and there taken.

That I am not of kin or in anywise associated with any of the parties to said cause of action or their counsel, and that I am not interested in the event thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 7th day of February, 2011. My Commission expires November 22, 2012.

 Claudia R. Booton, RPR
 Notary Public
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 Denver, Colorado 80203
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